



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

July 1, 2014

Ms. Kate McGrath, Director
Governor's Office of Budget, Planning and Policy
1100 San Jacinto, 4th Floor
Austin, TX 78701

Ms. Ursula Parks, Director
Legislative Budget Board
1501 North Congress Avenue, 5th Floor
Austin, TX 78701

Dear Ms. McGrath and Ms. Parks:

Enclosed is the agency's FY 2014 Monthly Financial Report as of May 2014. The following is a narrative summary of budget adjustments during the month, budget variances, significant changes from appropriated funding, capital budget issues, and other key budget issues at this time. This report does not incorporate any adjustments laid out in the Health and Human Services Omnibus Letter dated June 13, 2014.

BUDGET ADJUSTMENTS

The following adjustments were made to the appropriated budget in the month of May. In total, the operating budget was increased by \$138,658.

- The following adjustment was made in accordance with Art IX, Sec 14.03(h), Limitation on Expenditures - Capital Budget, (2014-15 GAA):
 - B.1.10 Other CPS Purchased Services was decreased \$1,644,000 to create new capital projects.
 - C.1.5 Other At-Risk Prevention Programs was decreased \$367,000 to create new capital projects.
 - F.1.5 Agency-Wide Automated Systems was increased by \$2,011,000 to create new capital projects.
- Adjustments in anticipated federal entitlement funds were made in the following strategies for a net increase of \$138,658 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
 - Strategy F.1.5 Agency-Wide Automated Systems was increased by \$138,197

BUDGET VARIANCES

This report reflects a net agency surplus of \$1.7 million consisting of shortfall \$0.8 million General Revenue and surplus \$2.5 million Federal Funds.

Strategy A.1.1 Statewide Intake Services has projected \$0.5 million General Revenue shortfall.

Strategy B.1.1 CPS Direct Delivery Staff has projected \$3.2 million shortfall consisting of \$2.6 million General Revenue and \$0.6 million Federal Capped Grants. This shortfall is primarily due to increased staff-related costs as a result of increased travel and overtime costs.

Strategy B.1.2 CPS Program Support has a projected surplus of \$2.4 million consisting of \$2.3 million General Revenue, and \$0.1 million Federal Capped Grants, based on vacant FTEs and expenditure trends.

Strategy B.1.8 PAL Purchased Services has a projected surplus of \$0.9 million consisting of \$0.3 million of General Revenue and \$0.6 million Federal Capped Grants, based on expenditure trends.

Strategy B.1.9 Substance Abuse Purchased Services has a projected shortfall of \$1.6 million of General Revenue, based on expenditure trends.

Strategy C.1.1 STAR Programs has projected \$1.8 million surplus consisting of \$1.6 million General Revenue and \$0.2 million of Federal Capped Grants based on expenditure trends.

Strategy C.1.2 CYD Program has projected \$1.1 million surplus of General Revenue based on expenditure trends.

Strategy C.1.5 Other At-Risk Prevention Programs has a projected surplus of \$6.8 million of General Revenue. According to the Rider 24, DFPS may only use appropriated funds for at-risk prevention services that are competitively procured.

Strategy C.1.6 At-Risk Prevention Program Support has a projected surplus of \$0.4 million, consisting of \$0.3 million of General Revenue and \$0.1 million of Federal Capped Grants, created by vacancies.

Strategy D.1.1 APS Direct Delivery Staff has projected \$2.3 million General Revenue surplus due to vacant FTEs.

Strategy E.1.1 Child Care Regulation has projected surplus of \$0.8 million of General Revenue due primarily to vacant FTEs.

Strategy F.1.2 Other Support Services has a projected shortfall of \$1.1 million of General Revenue. This projected shortfall is related to an anticipated increase in the expenditures related to the IAC with the Texas Department of Public Safety for costs associated with processing criminal background checks.

Strategy F.1.4 IT Program Support has a projected surplus of \$5.8 million of General Revenue. The surplus will be used to cover shortfalls in other Indirect Administration Strategies and/or other agency needs.

Strategy F.1.5 Agency-Wide Automated Systems has a projected surplus of \$1.0 million of General Revenue. Unobligated balances will be carried forward to FY2015.

The following General Revenue variances are projected based on the HHSC May 2014 caseload and expenditure forecast:

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$0.1 million.
- Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.8 million.
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$3.1 million.
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$13.0 million.
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$1.3 million.
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected surplus of \$1.6 million.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

Projected expenditures are being allocated on the most recent cost allocation results which indicates that the agency will be unable to claim entitlement funds at the levels assumed in the appropriation bill.

OTHER KEY BUDGET ISSUES

None not previously addressed.

CAPITAL BUDGET ISSUES

The Capital Projects schedule has been updated to reflect current year-to-date expenditures.

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

Letter Topic Appropriation Year 2014	HHSC/DFPS Letter Date	Approval/Response Received by July 1, 2014	
		LBB	Governor
Request for Budget Authority to Address Critical Funding Needs in Fiscal Years 2014 and 2015	June 13, 2014	N	N

Please contact Beth Cody, Budget Director, at 438-3351 if you have any questions or require additional information.

Sincerely,



Tracy Henderson
Chief Financial Officer

cc: Garnet Coleman, State Representative
Dianna Velasquez, Governor's Office
Jamie Dudensing, Lieutenant Governor's Office
Rob Ries, Lieutenant Governor's Office
Jennifer Deegan, Speaker's Office
Sarah Hicks, Senate Finance Committee
Keith Yawn, House Appropriations Committee
Heather Fleming, House Appropriations Committee
Melitta Berger, Legislative Budget Board
Shaniqua Johnson, Legislative Budget Board